

United States Department of the Interior


OFFICE OF THE ASSISTANT SECRETARY
POLICY, MANAGEMENT AND BUDGET
Washington, DC 20240



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Memorandum

To: Solicitor
Assistant Secretaries
Bureau Directors
Policy, Management and Budget Office Directors

From: Scott J. Cameron 
Deputy Assistant Secretary – Performance, Accountability, and Human Resources

Subject: **YEAR 2005 FEDERAL ACTIVITIES INVENTORY REFORM (FAIR)
ACT INVENTORY PREPARATION AND SUBMISSION GUIDANCE**

The FAIR Act directs the head of each executive agency to submit to the Office of Management and Budget (OMB), a list of FTE's performing various functions both commercial and inherently governmental by June 30 of each year.

To date, we have not yet officially received the annual FAIR Act inventory guidance from OMB, but in order to meet the June 30 statutory deadline, work must begin in collecting and compiling inventory data based upon the draft OMB guidance and the inventory format information available on their website. The URL for this website is listed with the Attachments at the end of this memorandum.

There are several notable changes from last year's guidance. First, OMB (either in OMB Circular A-76 or the Draft '05 guidance) now requires a justification for FTE's identified as inherently governmental, or as commercial but unsuitable for competition (reason code A). Second, bureau staff and PMB have invested a significant amount of time over the last three months to improve consistency across the Department, so that employees performing similar work are treated similarly. Third, the interdepartmental Chief Acquisition Officers Council has studied consistency in coding across departments and produced a number of lessons learned that we will adopt.

Please submit your Year 2005 FAIR Act inventories (i.e., FAIR Act inventory of commercial activities and a listing of inherently governmental positions including the information requested in the attached Departmental Instructions including justifications for all FTE coded as inherently governmental or reason code A) to the Center for Competitive Sourcing Excellence (CCSE) by Monday, May 2, 2005. This should allow sufficient time for comprehensive Departmentwide inventory review, analysis, and as appropriate, revision prior to agency inventory submission to OMB. With your continued cooperation and assistance, we will once again meet the statutory deadline.

Allow me to reiterate that the FAIR inventory is not the same thing as a competitive sourcing plan. Just because a FTE is coded as commercial in nature, it does not necessarily follow that the FTE in question will become part of a competitive sourcing study. Indeed, for commercial code A FTE, involvement in a competitive sourcing study would be quite unlikely.

As a reminder, prior to submission to the CCSE, it is important that your organization's inventory submission undergo a rigorous and thorough review by a bureau team of functional experts in multiple disciplines, e.g., budget, finance, performance management, human resources, and acquisition.

Memoranda transmitting the inventories should be signed by the Bureau or Office Director and routed to me through your Assistant Secretary. Inventory responses are also requested to be submitted electronically in the specified MS Excel reporting formats.

If you have any questions, please contact Donna Kalvels, Director, Center for Competitive Sourcing Excellence on 202-219-0727 or Dan Ertel, Senior Analyst – Contractor, on 202-208-6704. An electronic copy of this guidance is being provided to the Competitive Sourcing/Procurement Team membership.

Attachments

1. – Department of the Interior Year 2005 Instructions
2. – Estimated DOI '05 FTE totals by Bureau, as shown in FY06 Budget
3. – Wildland Fire Coding Matrix (to be provided separately at a later date)
4. – Listing of 160 function codes w/10 or fewer FTE
5. – OMB draft guidance dated February 15, 2005 w/attachments
6. – OMB website URL:
www.whitehouse.gov/omb/procurement/fair-index.html